

## PROPOSAL 1- FINANCIAL AID PROPOSAL - March 28, 2006

**Rationale** – This proposal would codify previous interpretations and restrictions regarding financial aid in KHSAA member schools to attempt to have all schools on the same level with regards to selection, acceptance and continuance of enrollment by the student body. This proposal codified previous interpretations and attempts to eliminate perceptions about advantages gained by schools awarding financial aid. NOTE: The current Bylaw 7 would become a section under Bylaw 9.

### **Bylaw 7. Financial Aid (new)**

#### **Sec. 1) Definitions for this bylaw**

- a) Tuition– means the amount of necessary fees, costs and other charges to attend a member school as determined by that member school's published scale of charges. The tuition at the member school shall be the same for all students in like situation irrespective of participation in athletics and shall not include room and board expenses.
- b) Classification of Schools - means the classification of the member schools as defined by the Kentucky Department of Education. The six current classifications are: (1) A1- District operated general program or multi-program schools; (2) D1– Kentucky Department of Education operated schools (Blind and Deaf); (3) F1- Federal Dependent Schools; (4) J1- Roman Catholic schools; (5) M1- Other Religious schools and (6) R1-Private non-church related schools.
- c) Public Schools- means the member schools receiving funding from the Kentucky Department of Education or comparable federal sources. Public schools shall include the member schools which are classified as A1, D1 or F1.
- d) Non-Public Schools – means the member schools not receiving funding from the Kentucky Department of Education or comparable federal sources. Those schools shall include the member school which are classified as J1, M1 and R1.
- e) Non-Public School Zone – means the zone to which each non-public school is assigned. The four current non-public school zones are Covington, Lexington, Louisville and Owensboro. These non-public school zones shall be comprised of the counties contained in the geographic alignment related to the archdiocese of the same name.
- f) Non-Public School Governing Board– means the entity having oversight over the member school. For purposes of this bylaw, the "governing board" of a non-public school shall be determined by the school type. For J1 schools, the "governing board" shall be the archdiocese and geographic references shall be the counties included in the non-public school zone of the school. For the R1 and M1 schools, the "governing board" shall be as defined by the governance structure of the institution.
- g) Immediate Family– means the student and the student's father, mother, brother, sister, step-father, step-mother, step-brother, step-sister, husband, wife, aunt, uncle, grandparent.
- h) Financial Aid– means any and all aid given to a student which reduces tuition, including, but not limited to, awards, reductions and waivers.
- i) Need-Based Aid– means the amount of financial aid that an independent financial analysis of the student's financial aid application demonstrates that the student needs to pay tuition to attend a member school, provided such analysis is performed by an agency approved by the Board of Control.
- j) Merit Aid– means financial aid awards given by the member school based solely on academic/test performance which are available to the entire student body through a competitive application process and that the selection of the recipient(s) is based on published objective criteria which may not include athletic achievement or ability.
- k) Merit Aid Test – means the academic assessment or placement test approved by the Board of Control prior to its administration.
- l) Merit Aid Test Date – means be the date submitted by each member school for the administration of the merit aid test.
- m) Financial Records– means the records related to any financial aid analysis of the student including but not limited to, immediate family's records of the method and sources for all tuition payments.

#### **Sec. 2) Non-Permissible Financial Aid**

A student shall be ineligible to participate in interscholastic athletics if the student:

- i) Receives financial aid beyond the limits defined in Section 1(i) except for merit aid allowed under this bylaw, and waivers of tuition for non-domestic students ruled eligible under Bylaw 6, Section 2 (Foreign Exchange);
- ii) Receives merit aid based on an unapproved merit aid test;
- iii) Receives merit aid based on a merit aid test not administered on an approved merit aid test date;
- iv) Receives merit aid greater than twenty-five percent (25%) of the tuition at the member school;
- v) Receives merit aid from a member school that has already given merit aid to the greater of five (5) percent of its student body or five students;

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- vi) Receives financial aid that is not available to the entire student body by published objective criteria;
- vii) Receives financial aid from a funding source that is not under the custody and control of the member school and/or its governing board;
- viii) Receives any financial aid other than the permitted need-based aid or merit aid detailed above from a member school, any other entity governed by that member school's governing board or any representatives of the member school;
- ix) Receives any financial aid that is indirectly or directly related to athletic achievement or ability;
- x) Has any part of the financial obligation to the member school paid directly or indirectly by individuals outside of the student's immediate family;
- xi) Does not agree to complete disclosure of financial records as defined in this bylaw upon request of the KHSAA and its officials, employees and agents.

### Sec. 3) Financial Aid Restrictions and Reporting

All member schools shall annually report detailed financial aid information to the KHSAA including, but not limited to:

- i) Tuition schedule and/or other fees applicable to the student body at the member school;
- ii) The merit aid test being utilized by the school and the merit aid test date; and
- iii) A detailed listing of the amount of financial aid awarded by the member school including but not limited to:
  - 1) The need-based aid each student-athlete is eligible to receive based on the report of the approved independent agency;
  - 2) The merit aid given to each student and the qualifying score used to make the determination;
  - 3) The amount of need-based aid awarded to each student; and
  - 4) A specific listing of the sports in which each student participates.

### **NOTE:**

The parenthetical Case Situation would remain which identifies the six approved agencies, which would not be codified into the rules to allow for review by the Board, but would be printed in the interpretations.

### **CS – Which independent agencies have been approved by the Board of Control to perform the need-based aid analysis?**

*The Board of Control has approved the following agencies to perform the need-based aid analysis – Financial Aid Independent Review (Rosemount, MN), Family Financial Needs Assessment (Hernando, MS), Private School Aid Service (Lakewood, OH), School and Student Service for Financial Aid (Princeton, NJ) Tuition Aid Data Services (St. Paul, MN), and FACTS Grant in Aid Agency (Lincoln, NE).*

*The use of any unapproved agency renders the student ineligible under Bylaw 7. A member school may petition the Board of Control to approve independent agencies.*

### **CS – What merit aid tests have been approved by the Board of Control to determine the amount of merit aid a student may receive?**

*The Board of Control has approved the following merit aid tests to determine the amount of merit aid a student may receive – High School Placement Test (Scholastic Testing Service, Inc, Bensenville, IL and Earth City, MO.)*

*The use of any unapproved merit aid test renders the student ineligible under Bylaw 7. A member school may petition the Board of Control to approve other merit aid tests.*

### **CS – For purposes of Section 2(a)(v), how does the member school determine which students are counted against the limit?**

*Determinations of which students count against the limit in Section 2(a)(v) are based chronologically on the date of the award of merit aid.*

### **CS – Is there a procedure to be followed by a member school who has submitted a Merit Aid Test Date and is unable to administer the test due to weather or other circumstances beyond the control of school authorities?**

*Yes, the school can, in writing, request that the Commissioner approve an additional testing date in the event that such circumstances arise that prevent test administration on the previously scheduled date.*

**Effective Date and Implementation Issues:** Could be effective immediately. Would require sampling of non-public schools to determine all testing instruments. Reporting requirements could be implemented effective with 2006-2007.